



# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, JANUARY 23, 1997

AT  
(202) 616-2771  
TDD (202) 514-1888

**LONG ISLAND DISPLAY MATERIALS MANUFACTURER AND FORMER SALESMAN  
CHARGED WITH CONSPIRING TO DEFRAUD THE IRS**

WASHINGTON, D.C. -- A Long Island, New York display materials manufacturer and one of its former salesmen agreed to plead guilty today to conspiring to defraud the IRS by concealing cash payments made to a Philip Morris Inc. purchasing agent in order to secure the company's business, said the Department of Justice. The company, Grinnell Lithographic Co. Inc., formerly of Islip, also improperly deducted these payments on its corporate tax returns.

To date, 12 individuals and four corporations have pleaded guilty or agreed to plead guilty to various federal charges as a result of the Department of Justice's ongoing antitrust investigation of bid rigging, commercial bribery and tax related offenses in the display industry. In addition, two individuals and four corporations are awaiting trial in New York on charges arising from the same investigation.

The Department's Antitrust Division filed criminal charges today in the federal courthouse in the Southern District of New York (New York City) against Grinnell and one of its former sales representatives, Leslie S. Sutorius. Sutorius, a sales representative for Grinnell from 1968 to 1992, currently lives in

Winterville, North Carolina, and is a former Long Island resident.

The case charged that Grinnell and Sutorius conspired with others from January 1989 to January 1992, to defraud the IRS by concealing and disguising weekly and year-end cash payments made to a Philip Morris Inc. purchasing agent and then improperly deducting those payments on Grinnell's corporate income tax returns.

During this period, Sutorius made \$400 weekly cash payments and additional \$2000 Christmas gifts to one of Philip Morris' purchasing agents to ensure that the company would buy Grinnell's advertising display materials.

Point-of-purchase display materials are used to advertise and display various kinds of consumer goods, primarily in retail stores.

Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division, said the charges arose in connection with an investigation in New York City into collusive practices by suppliers of point-of-purchase display materials.

Klein said the investigation, being conducted by the Antitrust Division's New York field office with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service, is continuing.

Anyone with information concerning bid-rigging, bribery or fraud in the display industry may contact the New York Division of the FBI at (212) 384-1000.

The maximum penalty for an individual convicted of participating in a conspiracy to defraud the IRS is five years in

prison and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain derived from the crime or twice the pecuniary loss to the victims, together with the costs of the prosecution.

The maximum penalty for a corporation convicted of participating in the same conspiracy is a fine not to exceed the greatest of \$500,000, twice the pecuniary gain derived from the crime or twice the pecuniary loss to the victims, together with the costs of the prosecution.

###

97-031